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May 13, 2014

In Reply Refer To: North American Electric Reliability Corporation Docket No. RD14-9-000

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Reference: Joint Petition of the North American Electric Reliability Corporation

(NERC) and Western Electricity Coordinating Council (WECC) for approval of proposed regional Reliability Standard IRO-006-WECC-2 – Qualified Transfer Path Unscheduled Flow Relief and regional definition of

"Relief Requirement"

Dear Ms. Hawkins and Mr. Mooy:

1. On December 20, 2013, NERC and WECC filed a joint petition (Petition) seeking approval of regional Reliability Standard IRO-006-WECC-2 (Qualified Transfer Path Unscheduled Flow Relief), a modification to the regional definition of "Relief Requirement," implementation plan, the associated violation risk factors and violation severity levels (VSL), and the retirement of regional Reliability Standard IRO-006-WECC-1. On March 21, 2014, WECC filed a supplemental filing (Supplemental Filing) that explained the rationale behind the proposed effective date of regional Reliability Standard IRO-006-WECC-2.

- 2. The Petition states that the purpose of regional Reliability Standard IRO-006-WECC-2 is to mitigate transmission overloads due to unscheduled flow on a transfer path designated by WECC as being qualified for unscheduled flow mitigation (Qualified Transfer Paths). Pursuant to section 215(d) of the Federal Power Act, we approve regional Reliability Standard IRO-006-WECC-2 as just, reasonable, not unduly discriminatory or preferential, and in the public interest. As discussed below, the Commission modifies the effective date of the regional Reliability Standard to be the first day of the first quarter at least 45 days after regulatory approval.
- 3. On March 16, 2007, the Commission issued Order No. 693, approving 83 of the 107 Reliability Standards and associated definitions filed by NERC, including Reliability Standard IRO-006-3.² On March 17, 2011, the Commission issued Order No. 746, approving current regional Reliability Standard IRO-006-WECC-1, which was designed to mitigate transmission overloads due to unscheduled flow on a transfer path designated by WECC as being qualified for unscheduled flow mitigation, and six associated definitions.³
- 4. The Petition states that the revision to regional Reliability Standard IRO-006-WECC-1 is needed to "correct a reference to the recently changed Unscheduled Flow Reduction Guideline ("UFRG") that is included as an attachment to the currently-effective regional Reliability Standard IRO-006-WECC-1." The Petition explains that while the requirements of regional Reliability Standard IRO-006-WECC-1 remain the same, "certain wording and format changes are included to bring the document into compliance with specific NERC drafting conventions." Also, NERC proposes to change

¹ The term "Qualified Transfer Path" is defined as, "[A] transfer path designated by the WECC Operating Committee as being qualified for WECC unscheduled flow mitigation." *See Glossary of Terms Used in NERC Reliability Standards* (updated April 5, 2013) (NERC Glossary).

² Mandatory Reliability Standards for the Bulk Power System, Order No. 693, FERC Stats. & Regs. ¶ 31,242, at PP 952-964, order on rehearing, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

³ Western Electric Coordinating Council, Qualified Transfer Path Unscheduled Flow Relief Regional Reliability Standard, 134 FERC ¶ 61,199 (2011).

⁴ Petition at 3. Proposed revisions to the UFRG are currently pending before the Commission. *See* PacifiCorp, Petition, Docket No. ER14-778-000 (filed Dec. 20, 2013).

⁵ *Id.* at 9.

the VSL section "to match the current NERC table format with only one substantive change in the VSL for Requirement R1. This change is to conform to Commission VSL guidelines that require binary VSLs to be set to 'severe.'" Finally, the Petition contains a change to the NERC Glossary for the WECC regional definition of "Relief Requirement." The new definition "removes the reference to a specific version of the WECC UFRG and would eliminate the need to modify the regional definition if at any time in the future it is deemed necessary to revise the WECC UFRG."

- 5. NERC states that the regional Reliability Standard was developed and approved by industry stakeholders using the *WECC Reliability Standards Development Procedures*, approved by the WECC Board of Directors on January 23, 2013, and was subsequently approved by the NERC Board of Trustees on February 7, 2013. Regional Reliability Standard IRO-006-WECC-2 is applicable to balancing authorities and reliability coordinators within WECC.
- 6. Regional Reliability Standard IRO-006-WECC-2 has two requirements addressing: (1) the approval or denial of a request for unscheduled flow transmission relief of a Qualified Transfer Path by a reliability coordinator within 5 minutes of the request (Requirement R1); and (2) the balancing authority's obligation to provide relief, either through curtailment requests or alternative actions (Requirement R2). The requirements in regional Reliability Standard IRO-006-WECC-2 help ensure mitigation of transmission overloads due to unscheduled flow on Qualified Transfer Paths in the Western Interconnection. The proposed change to Requirement R1 eliminates the reference to a specific version of WECC's UFRG, and Requirement R2 is reformatted to conform to NERC drafting conventions. There are no substantive changes to either Requirement R1 or R2.
- 7. The Petition proposes that regional Reliability Standard IRO-006-WECC-2 will become effective "on the latter of the first day of the first quarter at least 45 days after Regulatory approval, or upon complete implementation of applicable webSAS changes and FERC approval of this standard and the revised Unscheduled Flow Mitigation Plan (UFMP) Documents." On March 21, 2014, WECC submitted a Supplemental Filing that

⁶ *Id.* at 10.

⁷ *Id.* at 12.

⁸ In the Petition NERC explains that the webSAS "is a software program that provides prescriptions for curtailments of off-path schedules based on level and percent of unscheduled flow contribution to the Qualified Path that is equal to or in excess of a six-percent Transfer Distribution Factor of each contributing schedule." Petition at 2 n.5.

explains the rationale for the proposed effective date contained in the Petition. The Supplemental Filing states that "WECC understands that the effective date proposed [in the Petition] for IRO-006-WECC-2 does not contain a firm or set date on which the standard will become effective ... [and the] Commission may desire to approve an alternate effective date for IRO-006-WECC-2." The Supplemental Filing further states that "IRO-006-WECC-2 could become effective prior to the revised UFMP without resulting in any inconsistencies."

- 8. NERC's filing was noticed on March 25, 2014, with comments, interventions and protests due on or before April 24, 2014. No comments or protests were filed.
- 9. Subject to the modification to the proposed effective date discussed below, we approve regional Reliability Standard IRO-006-WECC-2 and the associated implementation plan, violation severity levels and violation risk factors. We also approve the modification to the regional definition of "Relief Requirement." We find that the regional Reliability Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest. We believe regional Reliability Standard IRO-006-WECC-2 will help protect and improve reliability in the Western Interconnection by mitigating transmission overloads due to unscheduled flow on Qualified Transfer Paths.
- 10. In order to establish a definite effective date for regional Reliability Standard IRO-006-WECC-2, the Commission modifies the proposed effective date so that the regional Reliability Standard will become effective on the first day of the first quarter at least 45 days after issuance of this order.

Information Collection

11. The Office of Management and Budget (OMB) regulations require approval of certain information collection requirements imposed by agency actions. ¹¹ The information contained here is also subject to review under Section 3507(d) of the Paperwork Reduction Act. ¹²

¹¹ 5 C.F.R. § 1320.10 (2013).

⁹ Supplemental Filing at 4.

¹⁰ *Id.* at 3.

¹² 44 U.S.C § 3507(d) (2012).

- 12. Regional Reliability Standard IRO-006-WECC-2 is more comprehensive than the existing continent-wide Reliability Standard addressing transmission loading relief, IRO-006-5, in that the regional Reliability Standard includes additional requirements such as requiring the reliability coordinator to respond within five minutes of receiving a request for unscheduled flow transmission relief. However, the additional requirement of the regional Reliability Standard does not increase the reporting burden for entities that operate within the Westerns Interconnection when compared to the current regional Reliability Standard IRO-006-WECC-1.
- 13. The Commission approved the current WECC regional Reliability Standard on transmission loading relief in Order No. 746. The regional Reliability Standard IRO-006-WECC-2 information collection requirements do not differ from those approved in Order No. 746, and the Commission does not expect any changes to applicable entities' current reporting burden. Accordingly, we will submit this order to OMB for informational purposes only.
- 14. Interested persons may obtain information on the reporting requirements by contacting: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426 [Attention: Ellen Brown, Office of the Executive Director, e-mail: DataClearance@ferc.gov, Phone: (202) 502-8663, fax: (202) 273-0873].

By direction of the Commission.

Nathaniel J. Davis, Sr., Deputy Secretary.